

Congress of the United States
Washington, DC 20515

December 5, 2008

The Honorable Secretary Paulson
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Paulson:


The December 2, 2008 Government Accountability Office report prepared in conjunction with the Emergency Economic Stabilization Act (EESA) highlights a number of concerns with the implementation of the Troubled Asset Relief Program (TARP). Congress gave Treasury the resources and authority to swiftly provide assistance through the Office of Financial Stability to loosen up the credit markets and spur financial institutions to provide credit throughout the system, particularly to Main Street. We urge you to use the report as a guide for what has worked and where you can better protect the American taxpayer.

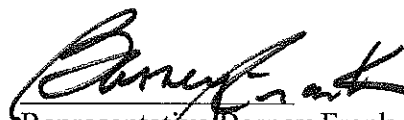
As noted in the report, a necessary area of improvement is to hire sufficient staff to run and manage TARP. Only 48 positions have been filled. The amount of funds appropriated is unprecedented, and the staffing levels are insufficient compared to other Departments, such as the Department of Defense, with responsibility over comparable amounts of appropriations. It is dangerous for your Department to under-staff the day-to-day operations of this critical endeavor. With only 48 staff members to monitor capital injections, holding financial institutions accountable will be difficult at best. We strongly urge you to follow the GAO's recommendation to reach a staffing level of at least 200 within the Office of Financial Stability.


We also ask you and your Department to follow the GAO's recommendation to require each financial institution to file a report outlining the institution's use of the federal funds. This small but important step will allow your staff to more clearly follow the infusion of capital. These reports will also provide a consistent flow of information from one administration to another.

We look forward to your prompt response.

Sincerely,

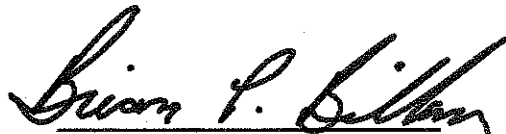

Representative Ed Perlmutter

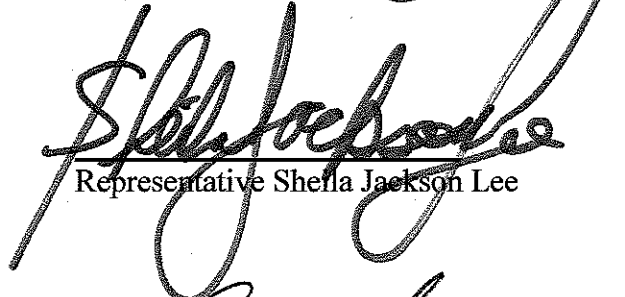

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Representative Paul Hodes

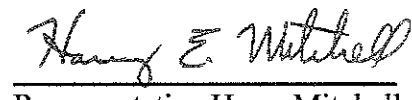

Representative Joe Donnelly

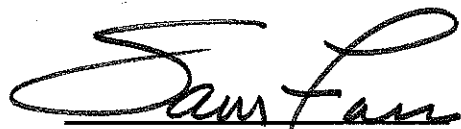

Representative Brian Bilbray



Representative Sheila Jackson Lee


Representative David Scott


Representative Albio Sires


Representative Harry Mitchell

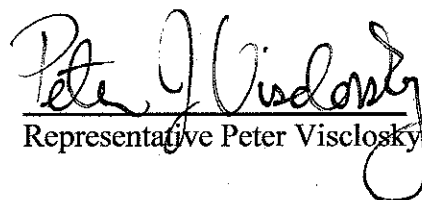

Representative Sam Farr



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